

Message Text

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SUBJ: CHRETIEN CAPTIVATES UNIVERSITY OF TORONTO AUDIENCE

ON NATIONAL UNITY THEME

1. IN A WELL-RECEIVED SPEECH THAT MIXED PREPARED TEXT WITH EXTEMPORANEOUS REMARKS, FEDERAL FINANCE MINISTER JEAN CHRETIEN REVIEWED THE HISTORICAL PATH TO TODAY'S QUEBEC SITUATION AND UNDERLINED THE ECONOMIC PROBABILITIES OF DECENTRALIZATION AS AN ALTERNATIVE TO BOTH QUEBEC SEPARATION AND THE CURRENT ECONOMIC AND SOCIAL MALAISE. HIS MARCH 13 ADDRESS AT THE UNIVERSITY OF TORONTO WAS ENTITLED "THE ROLE OF FRENCH CANADA IN CONFEDERATION".

2. CHRETIEN TRACED THE DEVELOPMENT OF TODAY'S QUEBEC SITUATION FROM ITS ORIGINS IN NEW FRANCE TO THE UNEQUALITIES NOTED IN THE REPORT OF THE ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM. "THE REAL TEMPTATION FOR YOUNG FRENCH CANADIANS IS TO MAKE THESE DIFFERENCES DISAPPEAR QUICKLY, AND WITH THE HELP OF THE APPARATUS OF GOVERNMENT..... THE PRESSURE FOR GOVERNMENT ACTION COMING FROM YOUNG PEOPLE, AND SOME PEOPLE NOT SO YOUNG, IS DANGEROUS

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BECAUSE IT RISKS OBLIGATING GOVERNMENT TO SEEK RESULTS WHERE ITS ERRORS CAN HAVE ENORMOUS COSTS. IN THE LONG RUN THIS CAN ONLY HELP DISCREDIT GOVERNMENT. AS THE PRESENT GOVERNMENT OF QUEBEC IS READY TO RESPOND TO SUCH DEMAND, THERE IS A DANGER THAT IT WILL TRY TO FORESEE EVERYTHING, CONTROL EVERYTHING AND THROW ITSELF INTO MAJOR INITIATIVES WHICH CAN RESULT IN FIN-

ANCIAL DISASTERS. TOO MANY PEOPLE TODAY, ESPECIALLY IN QUEBEC, THINK THAT HASTY ACTIONS BY GOVERNMENT CAN BE EFFECTIVE AND CAN RE-ESTABLISH A BALANCE IN NO TIME, UNFORTUNATELY, THESE ARE ONLY MIRAGES, AND MIRAGES WILL NEVER DELIVER."

3. CHRETIEN THEN NOTED THAT MANY SEE "AN OBVIOUS POLITICAL SOLUTION TO OUR ECONOMIC AND SOCIAL MALAISE, AND THAT IS TO REWRITE THE CONSTITUTION, AND TO EMPHASIZE THAT FAVORITE CATCHWORD, DECENTRALIZATION. HOW OFTEN HAVE WE HEARD THAT DECENTRALIZATION WILL SAVE THE COUNTRY? TO RE-ESTABLISH UNITY, IT IS SAID, ALL WE HAVE TO DO IS GIVE MORE POWER AND FINANCIAL RESOURCES TO THE PROVINCIAL GOVERNMENTS". MR. CHRETIEN EMPHASIZED THAT FEW IF ANY COUNTRIES ARE MORE DECENTRALIZED THAN CANADA, AND WONDERED HOW FAR CANADA CAN FURTHER DECENTRALIZE ECONOMICALLY WITHOUT INADVERTENTLY TEARING APART. THE DANGER IS A LOOSE ASSOCIATION OF PRACTICALLY INDEPENDENT REGIONS, A SORT OF "POCKET-SIZED COMMON MARKET". DECENTRALIZATION OF RESPONSIBILITY FOR REGIONAL ECONOMIC DEVELOPMENT WOULD PRECIPITATE AN INTER-PROVINCIAL SCRAMBLE TO INCREASE TAX INCENTIVES AND/OR DIRECT GRANTS. THESE WOULD CANCEL EACH OTHER OUT. NO REGION WOULD GAIN AN ADVANTAGE IN NEW INVESTMENT, ALL REGIONS WOULD PROBABLY INCREASE THEIR COSTS (THROUGH HIGHER SUBSIDIES
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OR LOSS OF TAX REVENUES). ONLY INVESTORS WOULD BENEFIT. CHRETIEN STRESSED THERE IS NO "GOLDEN RULE" FOR REVENUE SHARING IN THE EXISTING CONSTITUTION OR IN A NEW CONSTITUTION. AS EMPHASIS SHIFTS FROM ONE GOVERNMENTAL TASK TO ANOTHER, REVENUE SHARES MUST BE REVIEWED. "IN THIS AREA, CONSTITUTIONAL RULES ARE A PERISHABLE COMMODITY."

4. CHRETIEN TOLD HIS AUDIENCE THAT "THE MOST IMPORTANT ECONOMIC CHALLENGE WE SHOULD ACCEPT IS TO INTEGRATE FRENCH CANADIANS, ESPECIALLY THE YOUNG PEOPLE AS HIGHLY EDUCATED AS THEIR ENGLISH-SPEAKING COMPATRIOTS, INTO THE ECONOMIC LIFE OF THE COUNTRY."

5. ANSWERING POLITE AND GENERALLY INNOCUOUS QUESTIONS, MR. CHRETIEN TOOK POTSHOTS AT THE PARTI QUEBECOIS ("THEY CAN NO LONGER PHILOSOPHIZE; NOW THEY MUST ADMINISTER") AND HINTED THAT HIS GOVERNMENT WILL BEGIN CRITICIZING PQ IN EARNEST. IN ANSWER TO A REQUEST THAT HE CLASSIFY HIMSELF AS A PIERRE TRUDEAU "EUROPEAN CANADIAN" OR AS A WILLIAM DAVIS "ANGLO CANADIAN", CHRETIEN SAID SIMPLY "I AM A CANADIAN". THIS RESPONSE

WAS ENTHUSIASTICALLY RECEIVED BY HIS TORONTO AUDIENCE.
HE REAFFIRMED THAT HIS GOVERNMENT IS COMMITTED TO
ECONOMIC EQUALIZATION IN ALL OF CANADA'S DISADVAN-
TAGED PROVINCES, NOT JUST IN QUEBEC.

6. COMMENT: THE REPORTING OFFICER WAS ONE OF MINISTER CHRETIEN'S SYMPATHETIC AUDIENCE, AT ONTARIO'S PREMIER ENGLISH - LANGUAGE UNIVERSITY. CHRETIEN DEMONSTRATED WHY HE IS BECOMING ONE OF THE MOST APPEALING OF THE FEDERAL CABINET. HIS ENTHUSIASM, HUMOR, PATRIOTISM, CONCERN AND COMMITMENT ARE OBVIOUS AND, AGAIN ON MONDAY CAPTURED HIS AUDIENCE.

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